

# **Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century**

## **Work Group 1: System Structure and Finance**

### **Meeting Summary**

**September 5, 2018, 1:00 p.m.**

**Pocahontas Building, Richmond, Virginia**

Work Group 1 (System Structure and Finance) (the Work Group) of the Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century (the Joint Subcommittee) met on September 5, 2018, at the Pocahontas Building in Richmond. Following opening remarks and an overview of the agenda, the Work Group received several presentations.

#### **PRESENTATION: Children's Community-Based Behavioral Health Services in the Commonwealth**

Margaret Nimmo Holland, Executive Director, Voices for Virginia's Children, presented information about community-based behavioral health services for children in the Commonwealth. After providing an overview of Voices for Virginia's Children, she discussed recent state investments in children's behavioral health services and the changes resulting from those investments, as well as other initiatives that will shape the children's behavioral health system in the future. Ms. Holland also identified several topics of inquiry regarding the children's behavioral health system that the Joint Subcommittee might wish to pursue further.

Ms. Holland began by providing some statistics about the need for behavioral health services for children. She stated that one in five children in the Commonwealth live with a mental health condition and more than 75,000 children in the Commonwealth between the ages of 12 and 17 report suffering from at least one major depressive episode in the past year. The average age of onset for anxiety disorders is six years of age, and at least 50 percent of cases of individuals with chronic mental illness experience symptoms by the age of 14. Of the 9,238 school threat assessments conducted in the Commonwealth during the 2016–2017 school year, approximately 50 percent involved threats of self-harm only. Providing health treatment for children can mitigate the impact of mental illness. However, the Commonwealth does not always provide sufficient services in a timely manner. According to Mental Health America's State of Mental Health in America 2018, Virginia ranks 47th among the states with regard to access to care for children experiencing mental illness and 49th with regard to access for care for youth with a major depressive episode within the last year.

Ms. Holland reported on several initiatives that the Commonwealth has undertaken to improve the children's behavioral health system. During the 2018 Session, the General Assembly provided additional funding to support access to child psychiatry and crisis response services for children as well as services for transition-aged youth who have experienced a first episode of psychosis. Changes included in the STEP-VA model, adopted during the 2017 Session, including a requirement that community services boards provide same-day access to mental health screenings and efforts to expand access to alternative transportation for adults and children who are subject to temporary detention orders, will also benefit children in need of mental health services.

Moving forward, Ms. Holland noted, the Joint Subcommittee should consider the relationship between the initiatives already underway and any potential changes the Joint Subcommittee might recommend. Specifically, the Joint Subcommittee should consider the relationship between recently funded services and the STEP-VA model and any gaps in children's services remaining after implementation of STEP-VA. The Joint Subcommittee should also consider work force issues and the availability of children's service providers, as 100 of the 133 localities in the Commonwealth report not having enough mental health professionals to meet demand for services. Changes to the Commonwealth's Medicaid program, including inclusion of early intervention services and community-based mental health services in the Medallion 4.0 managed care program and efforts to transform the Medicaid program's approach to behavioral health services and design a continuum of services to meet needs throughout the lifespan, will also impact the children's behavioral health system, and the Joint Subcommittee should continue to monitor these developments. The federal Family First Prevention Services Act and changes to federal funding available to the Commonwealth for services to prevent children from entering foster care will also impact the children's behavioral health system by providing an alternative source of funding for children with mental health service needs who are at risk of entering foster care. Finally, the Joint Subcommittee should consider the work of the House Select Committee on School Safety, which includes development of recommendations around the availability of mental health services for school-aged children. In considering all of these developments, the Joint Subcommittee should consider how the proposed changes relate to each other and the existing system and should also consider whether the current behavioral health system is equipped to respond to the proposed changes.

**PRESENTATION: Update on Department of Behavioral Health and Developmental Services' Relationship with the University of Colorado's Farley Health Policy Center**

Mira Signer, Chief Deputy Commissioner, Department of Behavioral Health and Developmental Services, and Dr. Alexis Aplasca, M.D., Chief Clinical Officer, Department of Behavioral Health and Developmental Services, presented information about the behavioral health system transformation the Department of Behavioral Health and Developmental Services (DBHDS) and the Department of Medical Assistance Services (DMAS) have undertaken together with the University of Colorado's Eugene S. Farley, Jr. Health Policy Center.

Ms. Signer began by describing the Commonwealth's current behavioral health service system. She noted that the Commonwealth ranks 40th in the nation with regard to access to mental health services overall and 47th with regard to access to mental health services for children, according to Mental Health America. The Commonwealth spends approximately 50 percent of state general funds allocated to DBHDS for behavioral health services on the three percent of the population receiving services in state hospitals, while the remaining 50 percent is spent on community-based services. Ms. Signer noted that these figures indicate gaps in the public mental health service system, which are further highlighted by four trends: an unprecedented change in the way behavioral health services are delivered to citizens as the demand for community-based services increases; the need for integrated, trauma-informed care as understanding of mental illness and mental health treatment evolves in response to scientific discovery; increased access to services as the Commonwealth's Medicaid program expands to cover new populations; and changes to the existing public behavioral health service system resulting from recent reforms, including adoption of STEP-VA. Looking forward, DBHDS and DMAS envision a public behavioral health system that is seamless, coordinated, integrated,

person-centered, evidence-based, and trauma-informed; that incorporates a continuum of care that provides services across the lifespan, including prevention, early intervention, wellness, and recovery; and that aligns with and supports the STEP-VA model.

Dr. Aplasca reported that DBHDS has been working together with DMAS and the University of Colorado's Eugene S. Farley, Jr. Health Policy Center (the Center) to achieve the vision Ms. Signer described. The Center includes national experts who provide technical assistance and leadership to state agencies to advance policies and achieve integration and whole-person health. In recent years, the Center has assisted Oregon, Washington, Idaho, and Virginia in developing Medicaid policies to reach these goals. Currently, the Center is working with DBHDS and DMAS to develop a thorough understanding of the current public behavioral health system and a picture of what the ideal system would include. This process has included meetings with stakeholders such as managed care organizations, providers, consumers, advocates, and agency staff. The Center will provide initial draft recommendations in the fall and then during December and January will meet with stakeholders to work on a strategic plan. By February, the Center will finalize a strategic plan, which will be presented to stakeholders and legislators.

### **PRESENTATION: CSB Structure, Financing, and Governance: Findings and Issues for Possible Legislative Consideration**

Dr. Richard Bonnie, Director, Institute of Law, Psychiatry and Public Policy, University of Virginia School of Law, and Kevin Farley, University of Virginia, provided an update on the Institute of Law, Psychiatry and Public Policy's (ILPPP) study of the structure, financing, and governance of community services boards (CSBs) in the Commonwealth, which was undertaken with the advice of the Expert Advisory Panel on System Structure and Financing. Following an introduction and overview by Dr. Bonnie, Mr. Farley described recent initiatives to improve the existing public mental health service system. He stated that the initiatives were still in the early stages and that sufficient time should be allowed for each to succeed. Given such time, the initiatives should improve access, standardization, transparency, and accountability. Any changes to the political structure, financing, or governance of CSBs or the public mental health service system should facilitate and not disrupt the transformation.

Mr. Farley then described the ILPPP's study of CSB governance, which included interviews with CSB executive directors and DBHDS staff, statistical research on variation in CSB services and funding, and feedback from the Expert Advisory Panel on System Structure and Financing. Findings included:

- Services provided by and sources of funding and local financial support for CSBs varies widely across the Commonwealth;
- The political structure of CSBs (administrative policy board versus operating board) strongly affects levels of funding and local political support;
- Local investment in CSBs is concentrated in 11 administrative policy boards;
- Medicaid is an increasingly important source of CSB funding;
- Operating CSBs face greater challenges than administrative policy CSBs due to weaker local government support resulting from a diminished sense of ownership;
- Many operating CSBs, particularly small rural operating CSBs, face substantial fiscal vulnerability;

- The local match requirement for CSB funding, as administered, is an inefficient and outdated device for increasing local mental health funding;
- The level of CSB board member involvement varies substantially across CSBs;
- Regional arrangements have been successfully used as vehicles for service innovation, including programs and funding related to hospital census management and delivery of high-intensity, low-demand services;
- DBHDS's capacity for oversight, including data collection and analysis and provision of technical assistance, should be expanded and improved; and
- DBHDS's formula for allocating state general funds to CSBs should be reviewed, with consideration given to whether factors like local cost of living, local ability to pay, level of local support, local Medicaid penetration, and other demographic factors should be taken into account in decisions related to funding.

At the end of the presentation, Mr. Farley posed several questions for consideration, including:

- Should the General Assembly ask the Joint Legislative Audit and Review Commission to study the formula currently used by DBHDS to allocate state general funds for mental health services among CSBs and to assess alternative approaches for allocating state general funds to ensure adequate access to services in underserved areas of the Commonwealth?
- Should the General Assembly direct DBHDS to study, together with stakeholders, the feasibility, advantages, and disadvantages of consolidating existing CSBs?
- Should the General Assembly take steps to increase DBHDS's capacity to oversee the delivery of mental health services by CSBs? If so, how?

### **DISCUSSION: Recommendations and Areas of Focus**

At the end of the meeting, Work Group members discussed potential topics for further analysis, including:

- The need to address dramatic differences in funding for CSBs across the state, possibly by implementing a model that establishes a base level of services that must be provided by each CSB, a state funding and local match requirement for such services, and flexibility for localities that wish to fund and provide additional services to do so;
- The need for greater control at the state level over staffing decisions at the local level, including decisions related to hiring and firing of CSB directors and employees;
- The need to revise funding formulas to take into account differences in local ability to pay;
- Potential advantages and disadvantages of regional models of service delivery;
- The impact of Medicaid expansion and additional Medicaid funding; and
- The appropriate role of private and state mental health facilities.

### **Next Meeting**

The next meeting of the SJ47 Work Group 1 - System Structure and Finance will be held on October 1, 2018, in Fairfax, Virginia.